II. REMARKS

Based on the above amendment and the following remarks, applicant respectfully submits that all the pending claims are in condition for allowance.

A. Status of Claims

The status of the claims is as follows:

Canceled:	1-13
Withdrawn:	None
Currently Rejected:	14-37
Objected to:	None
Allowed:	None

B. Status of Amendments

No amendments have been filed subsequent to the Final Office Action of April 9, 2008.

C. Summary of Claimed Subject Matter

A concise explanation of the subject matter defined in each of the independent claims is provided here, with reference to the specification by page and line number and to the drawings

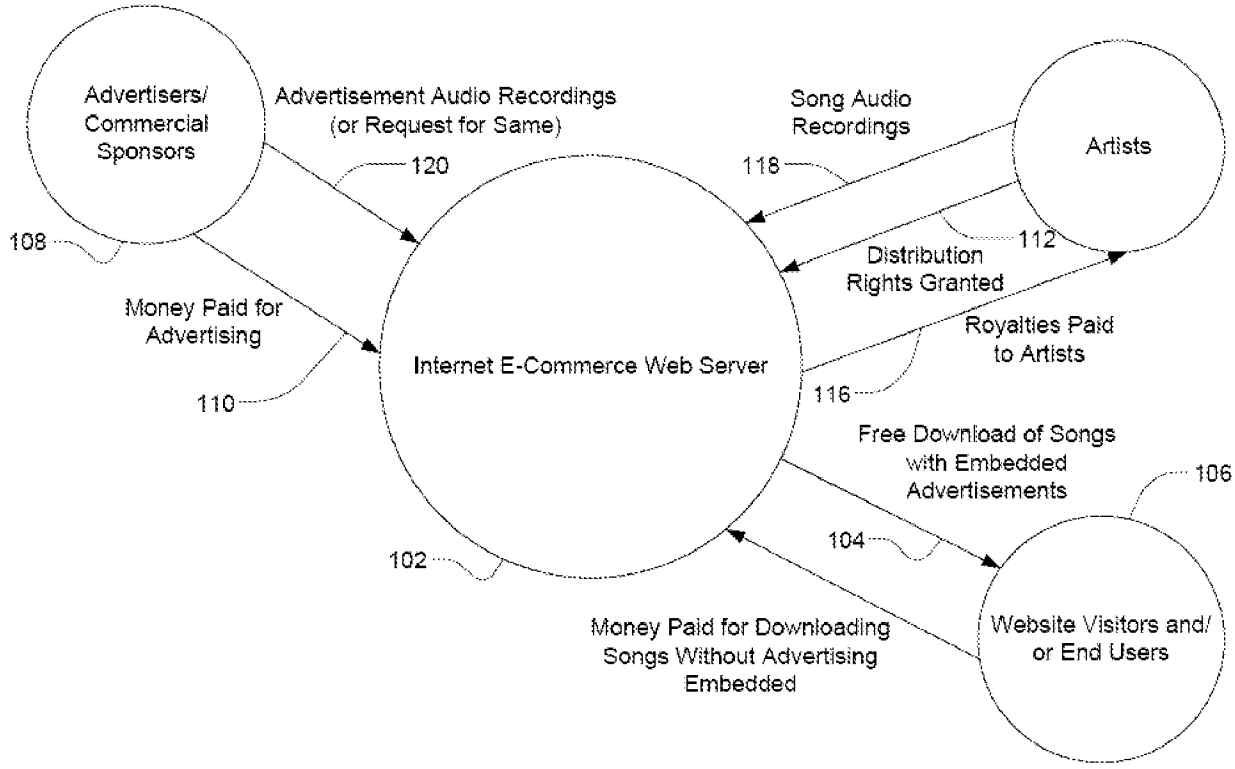

FIG. 1

by reference characters, where applicable. Note that the citation to passages in the specification and drawings for each claim element does not imply that the limitations from the specification and drawings should be read into the corresponding claim element.

Independent claim 14 relates to an audio file distribution system having at least one network server (Server 102 is shown in Fig. 1 above and described in Substitute Specification ("S.Spec") 3/2-3, 3/30-4/1.[1] See also 2/15-19). The network server provides a web site having audio files available for download by web site visitors (elements 104 and 106 of Fig. 1; S.Spec 1/15-18; 3/2-3; and 3/20-21). One or more of the audio files includes an embedded audio message from a sponsor (element 104 of Fig. 1; S.Spec 1/15-20; 3/3-11 and 21-29; 5/3-7/17).

Independent claim 24 relates to an audio file playback method (S.Spec 3/20-29). The method of claim 24 includes downloading an audio file with an audible advertisement from a web site to a computer (element 104 of Fig. 1; S.Spec 1/15-20; 3/2-8; 3/20-29). The method further includes transferring the audio file from the computer to an external playing device that plays the audible advertisement when playing the audio file (S.Spec 3/25-29).

Independent claim 30 relates to a multimedia file distribution method (2/4-21; 3/20-29). The method of claim 30 includes receiving a message file having an audible message to be provided for a fee paid by a message provider (elements 110 and 120 of Fig. 1; S.Spec 2/15-19; 3/10-11; 3/30-4/6); receiving licensed multimedia files (elements 112, 118 of Fig. 1; S.Spec 2/15-21; 3/12-15; 3/30-4/2); appending the message file to the beginning of each of multiple licensed multimedia data files to provide combined files (S.Spec 2/4-8; 3/3-11; 3/21-29; 5/3-7/17); making the combined files available on an Internet website for download by end users (elements 104 and 106 of Fig. 1; S.Spec 1/15-18; 3/2-3; and 3/20-21); and transmitting at least one combined file to a user to store the combined file in its entirety for later playback (S.Spec 1/18-20; 3/2-5; 3/20-29).

Independent claim 35 relates to an advertising method (S.Spec 1/15-20; 2/4-21; 3/2-19). The method of claim 35 includes creating a combined audio file from two audio files, wherein at least one of the two audio files produces an advertising message when played (S.Spec 2/4-8; 3/3-11; 3/21-29; 5/3-7/17); making the combined audio file accessible for download by multiple

[1] Page and line numbering will be provided using P/L notation. E.g., 3/2-4 refers to page 3, lines 2-4, and 3/30-4/1 refers to page 3, line 30 through page 4, line 1.

users via a computer network (elements 104 and 106 of Fig. 1; S.Spec 1/15-18; 3/2-3; and 3/20-21); and transmitting the combined audio file to a user computer where the entire combined audio file is saved for later playback or transfer to an external multimedia player (S.Spec 1/18-20; 3/2-5; 3/20-29).

D. Grounds of Rejection to be Reviewed

Applicant requests reconsideration of the following grounds of rejection:

- Claims 14-37 stand rejected under 35 USC § 103(a) as being unpatentable over U.S. Pat. 5,931,901 ("Wolfe").

E. Concise Summary of Cited Art

1. U.S. Pat. 5,931,901 ("Wolfe")

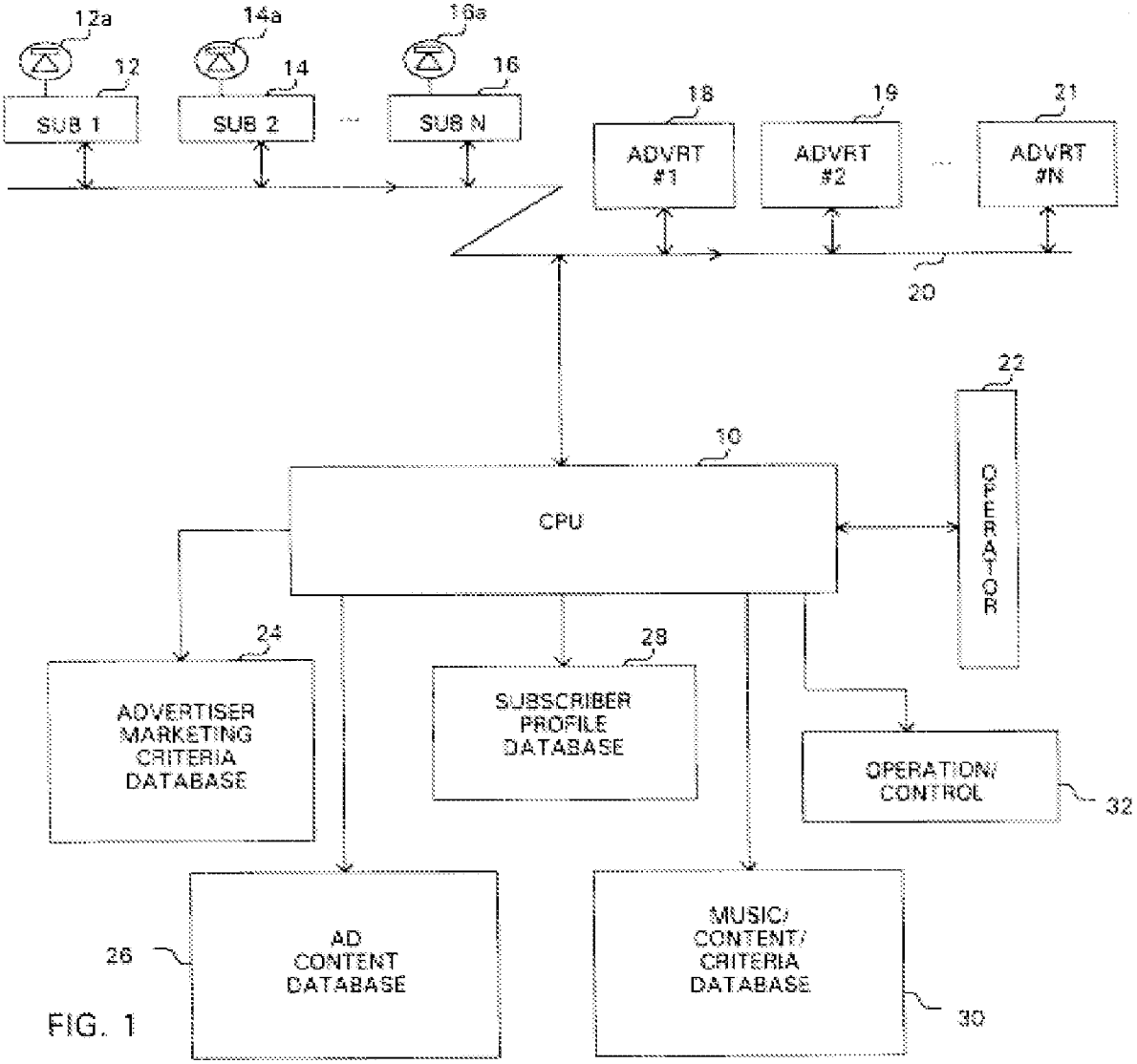

FIG. 1

Wolfe teaches "a system and method for delivering programmed music and targeted advertising messages to Internet base subscribers" (Abstract). Wolfe's objective is "to provide an Internet based system for the dissemination of valuable proprietary information free of charge, just as it is provided through network television and radio stations without any costs to the ultimate user/subscriber" (c1/43-60). To that end, Wolfe provides a computer based system (Fig. 1) having a database 26 of advertisement content, a database 28 of profile information (such as age, education, gender, etc.) for each of the individual subscribers 12, 14, 16, and a database 30 that provides a library of searchable/selectable music content (c4/7-20).

> In operation, the subscriber selects the content which he or she desires to receive, and the content is placed in a queue for transmittal to the subscriber. Based on the profile of the content, a determination is made by the CPU based system as to which advertising copy … is appropriate to be delivered to the particular subscriber. … [T]he selected advertising message is affixed to the next generic message in the queue or to the applicable … identity audio message. The system automatically links the advertising message, the generic or identity audio message and the subscriber selected content into a single data stream to be transmitted to the subscriber over the Internet. In constructing the stream, the system overlays the generic or identity audio message onto the music content so that, when delivered, the audio generic message and the audio content can both be heard by the subscriber simultaneously. The completed data stream is then delivered to the subscribed in a single, inseparable stream of data packets over the Internet.

(c2/42-c3/3). It is in this context that Wolfe later describes the software as responding to a subscriber's request for particular musical works with "a 'response packet' for the individual subscriber. Such a response packet typically consists of one or more pieces of music which has been encoded/encrypted for transmittal over the Internet, to which an advertiser's message for each piece has been appended as a leader or header thereof, along with a generic or music specific voice over" (c6/21-37).

In addition to providing the foregoing functionality, the software running on CPU 10 collects information to calculate (if necessary) royalty fees payable to owners of the music, "play" statistics of the music content, and billing data for advertisers (c5/26-38). The software further provides functionality for "encoding and decoding music in a manner that ensures that the ultimate subscribers can not separate the music from the advertising copy and /or copy it for their personal use and dissemination, in violation of licensing terms" (c6/7-12).

2. The Examiner's "Official Notice"

The examiner takes Official Notice as follows.

a) STORAGE OF INCOMING FILES

On page 3, lines 14-18 (and again on page 8, lines 4-7), of the Final Office Action dated April 9, 2008, the examiner states "Official Notice is taken that it was old and well known at the time of the invention that any incoming data file can be locally stored, whether on the receiving device's hard drive or on any one or more types of removable storage devices, e.g., floppy disks, smart cards, tapes, CD-ROMs, DVDs, etc.".

b) DATA FILE FORMATS

On page 5, lines 3-4 (and again on page 7, lines 1-2), of the Final Office Action dated April 9, 2008, the examiner states "Official Notice is taken that these [wav, MP3, and compressed formats] were old and well known standard formats for data files at the time the invention was made".

c) TRANSFER TO REMOVABLE STORAGE

On page 5, lines 14-17, the examiner states "Official Notice is taken that it is old and well known within the computer industry that both locally stored files and incoming data stream files may be transferred to removable storage devices, such as CD-ROMs, smart cards, tape, etc. For example, users have been recording radio and television broadcasts onto audio tapes for years."

F. Arguments

The claims do not stand or fall together. Instead, applicant presents separate arguments for various independent and dependent claims under corresponding headings and sub-headings as required by 37 CFR § 41.37(c)(1)(vii).

1. Rejections Under 35 USC § 103 Over Wolfe

Claims 14-37 stand rejected under 35 USC § 103(a) as being unpatentable over U.S. Pat. 5,931,901 ("Wolfe"). Applicant respectfully traverses because the cited art fails to teach or suggest each limitation of the claims. For the foregoing reasons, and for other reasons found in the previously submitted declaration of Rod Underhill and the concurrently submitted declaration of David Austerberry, applicant maintains that the pending claims are not obvious

under 35 USC 103 over the cited art. Applicant respectfully requests that the rejections be withdrawn and the application allowed to issue.

a) CLAIMS 14-15, 17-23

For example, independent claim 14 recites "a web site having audio files available for download by web site visitors …". The examiner cites Wolfe c2/60-c3/3 and c6/21-c7/5 as teaching these limitations. The examiner appears to equate streaming with downloading, though he acknowledges that "Wolfe does not explicitly disclose that the combined file being downloaded is stored on the user device".[2] Nevertheless, the examiner argues that storage on the user's local storage device is implicit in Wolfe's teaching of security measures to prevent copying.[3] Finally, the examiner takes Official Notice that *any* incoming data file can be locally stored on the hard drive or removable storage.[4]

Applicant's response is three-fold. First, applicant traverses the examiner's Official Notice in accordance with MPEP § 2144.03(C) because it is incorrect and hence not a valid basis for the rejection of this claim. At least some forms of incoming data could not be stored locally by one of ordinary skill in the art at the time the invention was made.[5] As a particularly relevant example, at least some streaming media servers and players were designed to ensure that "users can only stream data and are prevented from downloading the file directly to their hard disk".[6]

Second, applicant traverses the examiner's negative-implication based reasoning because it is incorrect and further, it does not comply with the standards set forth by the courts. Wolfe's

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[2] Final OA of April 9, 2008, 3/7-10.

[3] Id at 3/7-14. ("[T]he disclosure that the user may attempt to disseminate the file at least implies that it has been or could be stored on the user device. By discussing how the security measures can prevent the user from being able to copy and disseminate the files Wolfe is explicitly teaching that without the security procedures a user could copy and disseminate the file").

[4] Id at 3/14-18. ("Official Notice is taken that it was old and well known at the time of the invention that any incoming data file can be locally stored, either on the receiving device's hard drive or on any one or more types of removable storage devices, e.g., floppy disks …").

[5] D. Austerberry, Declaration Under 37 CFR 1.132 dated June 13, 2008, ¶17 ("[A]t least some media players were designed to prevent storage of streamed data. Specifically, it was not (in the examiner's words:) 'old and well known at the time of the invention that any incoming data file can be locally stored, either on the receiving device's hard drive or on any one or more types of removable storage devices'. To quote from the Microsoft document for Windows Media (© 2003): 'With a Windows Media Server, users can only stream data and are prevented from downloading the file directly to their hard disk.").

[6] Web Server vs. Streaming Server, © 2003 Microsoft Corp., http://www.microsoft.com/windows/windowsmedia/compare/webservvstreamserv.aspx.

teaching of encryption to prevent copying does not rise to the level of a suggestion that such copying could occur in the absence of such precautions. By way of analogy, the use of razor wire around Alcatraz does not necessarily suggest that inmates could escape in the absence of such razor wire. It is simply one of several redundant precautions, any one of which would operate to effect the desired purpose. Similarly, Wolfe's encryption is a redundant measure, the absence of which does not imply that users could store streamed data locally.[7] Moreover, the case law does not permit the use of negative implications, but rather requires affirmative suggestions or motivation.[8]

Third, applicant traverses the examiner's equating of streaming with downloading. Wolfe discloses only the delivery of program content and advertising using a streaming technique,[9] and does *not* teach delivery by download.[10] "The stream is discarded; the download is stored."[11] The differences and significance thereof would be known to one of ordinary skill in the art at the time of the invention.[12]

Moreover, the fundamental, real-time nature of Wolfe's system would be altered in counterintuitive ways if one attempted to substitute the download technique for the streaming technique. Wolfe embraces the individualized broadcast radio/television model in a manner that permits tracking of user profiles, play statistics, advertiser air times and remaining allocations, and limited replay of selected content.[13] If a downloading technique were employed, much of

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[7] See Austerberry Declaration, note [5] supra.

[8] *See* MPEP § 2143.01(I) ("The prior art must suggest the desirability of the claimed invention") and (V) ("The proposed modification cannot render the prior art unsatisfactory for its intended purpose").

[9] Wolfe at c3/1-3 ("The completed data stream is then delivered to the subscriber in a single, inseparable stream of data packets over the Internet.").

[10] D. Austerberry, Declaration Under 37 CFR 1.132 dated June 13, 2008, ¶23 ("Streaming and download are different ways to deliver content that use different protocols, and handle the content in different ways. The stream is discarded; the download is stored. The Wolfe patent only applies to streaming; it does not provide for downloading audio files with embedded advertising content."). See also ¶7 and 18-19 ("One of ordinary skill would not find it feasible to modify Wolfe's system to store streamed content to a local drive because this would require specialized knowledge [i.e., the special expertise of the content pirate]").

[11] Id.

[12] Id. at ¶16 ("All these developments led to two very different ways to deliver content, each of which would be familiar to one of ordinary skill in the late 1990's. The first is download, HTTP over TCP/IP. This is non-real-time delivery of a data file, which is stored locally on the user's PC, where it can be opened and played at any subsequent time. The second is streaming, UDP over IP. Streaming manages the delivery rate … . Data is rendered in the media player plug-in to the browser then discarded. To listen to the file again it must be streamed again.").

[13] Wolfe at c1/43-48, c4/12-18, c5/31-44, and c6/54-57.

the functionality of Wolfe's proposed system would be lost. One of ordinary skill would find little motivation, and much disincentive, for making such a modification to Wolfe, particularly when the relatively limited hardware capabilities of the late 1990's are taken into account.[14]

For at least the foregoing reasons, independent claim 14 and its dependent claims 15 and 17-23 are patentable over the cited art.

b) CLAIM 16

Claim 16 depends indirectly from independent claim 14 and is patentable for at least the same reasons. In addition, claim 16 further recites "the royalty is based at least in part on a number of times an audio file is downloaded." The examiner cites Wolfe c5/34-37 as teaching "determining royalty fees due to the owner of the audio file based on the 'play' statistics".[15] A per-play royalty calculation is quite distinct from a per-download royalty calculation, because a downloaded file can be played an indeterminate number of times, much like a CD purchased by a consumer. The approach recited in claim 16 is not taught or suggested by Wolfe, and indeed, it is expected to be much more successful.

For at least this additional reason, dependent claim 16 is patentable over the cited art.

c) CLAIMS 24, 27-29

Independent claim 24 recites "downloading an audio file with an audible advertisement from a web site to a computer". The examiner cites Wolfe c2/60-c3/3 and c6/21-c7/5 as teaching these limitations. Applicant respectfully traverses because, as explained above in support of claim 14, Wolfe fails to teach or suggest the use of downloading from a web site.

Independent claim 24 further recites "transferring the audio file from the computer to an external playing device that plays the audible advertisement when playing the audio file". The examiner acknowledges that Wolfe does not explicitly disclose this limitation, but takes Official Notice that "it is old and well known within the computer industry that both locally stored files and incoming data stream files may be transferred to removable storage devices, such as CD-

[14] D. Austerberry, Declaration Under 37 CFR 1.132 dated June 13, 2008, ¶10 ("The PC's of the time had very limited RAM, and low capacity disk drives by 2008 standards. A typical PC just did not have the spare memory to store media files. Streaming to the Flash player, rendering content, and immediately discarding the data got around this problem.").

[15] Final OA of April 9, 2008, 4/1-3.

ROMs, smart cards, tape, etc. For example, users have been recording radio and television broadcasts onto audio tapes for years".[16]

Applicant respectfully traverses the examiner's Official Notice in accordance with MPEP § 2144.03(C). The examiner's assertion is not universally true, and in fact, it is incorrect for at least some incoming data streams.[17] "With a Windows Media Server, users can only stream data and are prevented from downloading the file directly to their hard disk".[18] This quote perhaps highlights why the examiner's example of analog broadcasts recorded to audio or video tape is not relevant to the transfer of digital files.

For at least the foregoing reasons, independent claim 24 and its dependent claims 27-29 are patentable over the cited art.

d) CLAIMS 25-26

Claim 25 depends from independent claim 24 and is patentable for at least the same reasons. In addition, claim 25 recites "the external playing device plays the audible advertisement each time it plays the audio file". The examiner asserts that the "inseparable stream", having been recorded (presumably by piracy), would inherently require that the advertisement play each time the audio file is played. A showing of inherency requires a high burden of proof, which applicant respectfully submits has not been established here.[19] Applicant maintains that, pursuant to arguments made in support of independent claim 24, the "inseparable stream" cannot be locally stored and transferred to an external playing device. If it were somehow stored (presumably through use of the special expertise of a content pirate), applicant submits that the "inseparable stream" would not necessarily be inseparable.

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[16] Id. at 5/13-17.

[17] See Austerberry Declaration, note [5] supra.

[18] Web Server vs. Streaming Server, © 2003 Microsoft Corp., http://www.microsoft.com/windows/windowsmedia/ compare/webservvstreamserv.aspx.

[19] In re Robertson, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999) ("To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.'"); Ex parte Levy, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) ("In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.").

For at least this additional reason, claim 25 and its dependent claim 26 are patentable over the cited art.

e) CLAIMS 30, 32-33

Independent claim 30 recites "appending the message file to the beginning of each of multiple licensed multimedia data files to provide combined files … and transmitting at least one combined file to a user to store the combined file in its entirety for later playback". The examiner cites Wolfe c2/60-c3/3 as teaching these limitations, acknowledging however that "Wolfe does not explicitly disclose that the combined file being downloaded is stored on the user device for later playback".[20] Nevertheless, the examiner argues that storage on the user's local storage device is implicit in Wolfe's teaching of security measures to prevent copying.[21] Finally, the examiner takes Official Notice that *any* incoming data file can be locally stored on the hard drive or removable storage.[22]

Applicant's response is three-fold. First, applicant traverses the examiner's Official Notice in accordance with MPEP § 2144.03(C) because it is incorrect and hence not a valid basis for the rejection of this claim. At least some forms of incoming data could not be stored locally by one of ordinary skill in the art at the time the invention was made.[23] As a particularly relevant example, at least some streaming media servers and players were designed to ensure that "users can only stream data and are prevented from downloading the file directly to their hard disk".[24]

Second, applicant traverses the examiner's negative-implication based reasoning because it is incorrect and further, it does not comply with the standards set forth by the courts. Wolfe's teaching of encryption to prevent copying does not rise to the level of a suggestion that such

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[20] Final OA of April 9, 2008, 7/18-19.

[21] Id at 7/19-8/4. ("[T]he disclosure that the user may attempt to disseminate the file at least implies that it has been or could be stored on the user device. By discussing how the security measures can prevent the user from being able to copy and disseminate the files Wolfe is explicitly teaching that without the security procedures a user could copy and disseminate the file").

[22] Id at 8/4-7. ("Official Notice is taken that it was old and well known at the time of the invention that any incoming data file can be locally stored, either on the receiving device's hard drive or on any one or more types of removable storage devices, e.g., floppy disks …").

[23] See Austerberry Declaration, note [5] supra.

[24] Web Server vs. Streaming Server, © 2003 Microsoft Corp., http://www.microsoft.com/windows/windowsmedia/ compare/webservvstreamserv.aspx.

copying could occur in the absence of such precautions. By way of analogy, the use of razor wire around Alcatraz does not necessarily suggest that inmates could escape in the absence of such razor wire. It is simply one of several redundant precautions, any one of which would operate to effect the desired purpose. Similarly, Wolfe's encryption is a redundant measure, the absence of which does not imply that users could store streamed data locally.[25] Moreover, the case law does not permit the use of negative implications, but rather requires affirmative suggestions or motivation.[26]

Third, applicant traverses the examiner's equating of streaming with downloading. Wolfe discloses only the delivery of program content and advertising using a streaming technique,[27] and does *not* teach delivery by download.[28] "The stream is discarded; the download is stored."[29] The differences and significance thereof would be known to one of ordinary skill in the art at the time of the invention.[30]

Moreover, the fundamental, real-time nature of Wolfe's system would be altered in counterintuitive ways if one attempted to substitute the download technique for the streaming technique. Wolfe embraces the individualized broadcast radio/television model in a manner that permits tracking of user profiles, play statistics, advertiser air times and remaining allocations, and limited replay of selected content.[31] If a downloading technique were employed, much of the functionality of Wolfe's proposed system would be lost. One of ordinary skill would find little motivation, and much disincentive, for making such a modification to Wolfe, particularly when the relatively limited hardware capabilities of the late 1990's are taken into account.[32]

For at least the foregoing reasons, independent claim 30 and its dependent claims 32-33 are patentable over the cited art.

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[25] See Austerberry Declaration, note [5] supra.

[26] *See* MPEP § 2143.01(I) ("The prior art must suggest the desirability of the claimed invention") and (V) ("The proposed modification cannot render the prior art unsatisfactory for its intended purpose").

[27] Wolfe at c3/1-3 ("The completed data stream is then delivered to the subscriber in a single, inseparable stream of data packets over the Internet.").

[28] See Austerberry Declaration, note [10] supra.

[29] Id.

[30] See Austerberry Declaration, note [12] supra.

[31] Wolfe at c1/43-48, c4/12-18, c5/31-44, and c6/54-57.

[32]See Austerberry Declaration, note [14] supra.

f) CLAIM 31

Claim 31 depends from independent claim 30 and is patentable for at least the same reasons. In addition, claim 31 further recites "determining a royalty payment to a provider of a licensed multimedia file based at least in part on a number of downloads of combined files including that multimedia file." The examiner cites Wolfe c5/34-37 as teaching "determining royalty fees due to the owner of the audio file based on the 'play' statistics".[33] A per-play royalty calculation is quite distinct from a per-download royalty calculation because a downloaded file can be played an indeterminate number of times, much like a CD purchased by a consumer. The approach recited in claim 31 is not taught or suggested by Wolfe, and indeed, it is expected to be much more successful.

For at least this additional reason, dependent claim 31 is patentable over the cited art.

g) CLAIM 34

Claim 34 depends from independent claim 30 and is patentable for at least the same reasons. In addition, claim 34 further recites "transmitting said at least one combined file to a second different user to store for later playback." The examiner argues that Wolfe discloses this limitation because "inherently, the combined file may be transmitted to many other requesting users as long as they match the targeting profile".[34] The examiner also argues that Wolfe's teaching of security measures to prevent copying is equivalent to a teaching that in the absence of such measures, a user would be able to copy and disseminate the combined file to a second different user.[35]

Applicant's response is three-fold. First, applicant traverses the examiner's negative-implication based reasoning because it is incorrect and further, it does not comply with the standards set forth by the courts. Wolfe's teaching of encryption to prevent copying does not rise to the level of a suggestion that such copying could occur in the absence of such precautions. By way of analogy, the use of razor wire around Alcatraz does not necessarily suggest that inmates

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[33] Final OA of April 9, 2008, 4/1-3.

[34] Id. at 9/7-10.

[35] Id at 9/10-13 ("Wolfe also discusses encrypting the combined file so that the first user cannot 'copy it for their personal use and dissemination' (column 6, lines 7-12). This teaches that if the file is not encrypted, then a user would be able to copy and disseminate the combined file (to a second different user)").

could escape in the absence of such razor wire. It is simply one of several redundant precautions, any one of which would operate to effect the desired purpose. Similarly, Wolfe's encryption is a redundant measure, the absence of which does not imply that users could store streamed data locally.[36] Moreover, the case law does not permit the use of negative implications, but rather requires affirmative suggestions or motivation.[37]

Second, a showing of inherency requires a high burden of proof, which applicant respectfully submits has not been established here.[38] Wolfe does not provide any files for download by multiple users, but rather he responds to individual requests by creating a "response packet" for streaming to the individual subscriber.[39] Thus even if different subscribers with identical profiles were to submit identical requests and identical times (which is a remote likelihood at best), they would not even necessarily be provided the same content, let alone the same response packet. Nor is it the case that Wolfe suggests that they should.

For at least these additional reasons, claim 34 is patentable over the cited art.

h) CLAIMS 35-36

Independent claim 35 recites "creating a combined audio file from two audio files, wherein at least one of the two audio files produces an advertising message when played; [and] making the combined audio file accessible for download by multiple users". The examiner cites Wolfe c2/60-c3/3 as teaching these limitations. The examiner appears to equate streaming with downloading, though he acknowledges that "Wolfe does not explicitly disclose that the combined file being downloaded is stored on the user device for later playback".[40] Nevertheless, the examiner argues that storage on the user's local storage device is implicit in Wolfe's teaching of security measures to prevent copying.[41] Finally, the examiner takes Official

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[36] See Austerberry Declaration, note [5] supra.

[37] *See* MPEP § 2143.01(I) ("The prior art must suggest the desirability of the claimed invention") and (V) ("The proposed modification cannot render the prior art unsatisfactory for its intended purpose").

[38] Note [19] supra.

[39] *See* Wolfe c6/21-c7/5.

[40] Final OA of April 9, 2008, 7/18-19.

[41] Id at 7/19-8/4. ("[T]he disclosure that the user may attempt to disseminate the file at least implies that it has been or could be stored on the user device. By discussing how the security measures can prevent the user from being able to copy and disseminate the files Wolfe is explicitly teaching that without the security procedures a user could copy and disseminate the file").

Notice that *any* incoming data file can be locally stored on the hard drive or removable storage.[42]

Applicant's response is three-fold. First, applicant traverses the examiner's Official Notice in accordance with MPEP § 2144.03(C) because it is incorrect and hence not a valid basis for the rejection of this claim. At least some forms of incoming data could not be stored locally by one of ordinary skill in the art at the time the invention was made.[43] As a particularly relevant example, at least some streaming media servers and players were designed to ensure that "users can only stream data and are prevented from downloading the file directly to their hard disk".[44]

Second, applicant traverses the examiner's negative-implication based reasoning because it is incorrect and further, it does not comply with the standards set forth by the courts. Wolfe's teaching of encryption to prevent copying does not rise to the level of a suggestion that such copying could occur in the absence of such precautions. By way of analogy, the use of razor wire around Alcatraz does not necessarily suggest that inmates could escape in the absence of such razor wire. It is simply one of several redundant precautions, any one of which would operate to effect the desired purpose. Similarly, Wolfe's encryption is a redundant measure, the absence of which does not imply that users could store streamed data locally.[45] Moreover, the case law does not permit the use of negative implications, but rather requires affirmative suggestions or motivation.[46]

Third, applicant traverses the examiner's equating of streaming with downloading. Wolfe discloses only the delivery of program content and advertising using a streaming technique,[47]

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[42] Id at 8/4-7. ("Official Notice is taken that it was old and well known at the time of the invention that any incoming data file can be locally stored, either on the receiving device's hard drive or on any one or more types of removable storage devices, e.g., floppy disks …").

[43]See Austerberry Declaration, note [5] supra.

[44] Web Server vs. Streaming Server, © 2003 Microsoft Corp., http://www.microsoft.com/windows/windowsmedia/ compare/webservvstreamserv.aspx.

[45] See Austerberry Declaration, note [5] supra.

[46] *See* MPEP § 2143.01(I) ("The prior art must suggest the desirability of the claimed invention") and (V) ("The proposed modification cannot render the prior art unsatisfactory for its intended purpose").

[47] Wolfe at c3/1-3 ("The completed data stream is then delivered to the subscriber in a single, inseparable stream of data packets over the Internet.").

and does *not* teach delivery by download.[48] "The stream is discarded; the download is stored."[49] The differences and significance thereof would be known to one of ordinary skill in the art at the time of the invention.[50] Moreover, the claim requires that the combined audio file be accessible for download by *multiple users*, a limitation that is not taught or suggested by Wolfe.

For at least the foregoing reasons, independent claim 35 and its dependent claim 36 are patentable over the cited art.

i) CLAIM 37

Claim 37 depends from independent claim 35 and is patentable for at least the same reasons. In addition, claim 37 recites "the advertising message is played each time a user plays the combined audio file saved on the user computer". In his rejection of another claim, the examiner asserts that the "inseparable stream", having been recorded (presumably by piracy), would inherently require that the advertisement play each time the audio file is played. A showing of inherency requires a high burden of proof, which applicant respectfully submits has not been established here.[51] Applicant maintains that, pursuant to arguments made in support of independent claim 35, the "inseparable stream" cannot be locally stored. If it were somehow stored (presumably through use of the special expertise of a content pirate), applicant submits that the "inseparable stream" would not necessarily be inseparable.

For at least this additional reason, claim 37 is patentable over the cited art.

[48] See Austerberry Declaration, note [10] supra.

[49] Id.

[50] See Austerberry Declaration, note [12] supra

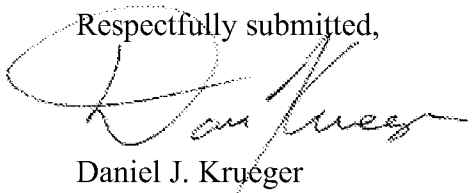
[51] Note [19] supra.

III. CONCLUSION

In the course of the foregoing discussions, applicant may have at times referred to claim limitations in shorthand fashion, or may have focused on a particular claim element. This discussion should not be interpreted to mean that the other limitations can be ignored or dismissed. The claims must be viewed as a whole, and each limitation of the claims must be considered when determining the patentability of the claims. Moreover, it should be understood that there might be other distinctions between the claims and the prior art that have yet to be raised, but which may be raised in the future.

The examiner is encouraged to contact the undersigned attorney if a telephonic discussion might prove helpful. If any fees are inadvertently omitted or if any additional fees are required or have been overpaid, please appropriately charge or credit those fees to Krueger Iselin LLP Deposit Account Number 50-4305/1002-001.00/HDJK.

Respectfully submitted,



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